



April 7, 2015

Mr. Moses Rabi  
President  
Career Technical Institute  
1101 Vermont Ave, NW  
Washington, DC 20005-3521

RE: **Final Program Review Determination**      *UPS Tracking #*  
OPE ID: 03104300      *IZ A87 964 07 9171 5568*  
PRCN: 201420328543

Dear Mr Rabi:

The U.S. Department of Education's (Department's) School Participation Division - Philadelphia issued a program review report on April 4, 2014 covering Career Technical Institute's (CTI) administration of programs authorized by Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs), for the 2012-2013 and 2013-2014 years. CTI's final response was received on June 20, 2014. A copy of the program review report (and related attachments) and CTI's response are attached. Any supporting documentation submitted with the response is being retained by the Department and is available for inspection by CTI upon request. Additionally, this Final Program Review Determination (FPRD), related attachments, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after this FPRD is issued.

**Purpose:**

Final determinations have been made concerning all of the outstanding findings of the program review report. The purpose of this letter is to: (1) identify liabilities resulting from the findings of this program review report, (2) provide instructions for payment of liabilities to the Department, (3) notify the institution of its right to appeal, (4) close the review and (5) notify CTI of a possible adverse action. Due to the serious nature of one or more of the enclosed findings, this FPRD is being referred to the Department's Administrative Actions and Appeals Service Group (AAASG) for its consideration of possible adverse action. Such action may include a fine, or the limitation, suspension or termination of the eligibility of the institution. Such action may also include the revocation of the institution's program participation agreement (if provisional), or, if the institution has an application pending for renewal of its certification, denial of that application. If AAASG initiates any action, a separate notification will be provided which will include information on institutional appeal rights and procedures to file an appeal.

This FPRD contains one or more findings regarding CTI's failure to comply with the requirements of the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) in Section 485(f) of the HEA, 20 U.S.C. § 1092(f), and the

**Federal Student Aid**

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School Participation Division - Philadelphia

The Wanamaker Bldg, Suite 511, 100 Penn Square East, Philadelphia, PA 19107  
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Department's regulations in 34 C.F.R. §§ 668.41, 668.46 and 668.49 . Since a Clery Act finding does not result in a financial liability, such a finding may not be appealed. If an adverse administration action is initiated, additional information about CTI's appeal rights will be provided under separate cover.

**Protection of Personally Identifiable Information (PII):**


PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report **does** not contain any student PII. Instead, **each** finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample.

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. §§ 668.24(e)(1), (e)(2), and (e)(3).

The Department expresses its appreciation for the courtesy and cooperation extended during the review. If the institution has any questions regarding this letter, please contact Laurie Carmean at 202-377-4834. Questions relating to any appeal of the FPRD should be directed to the address noted in the Appeal Procedures section of this letter.

Sincerely,



Nancy Paula Gifford  
Division Director

Enclosure:

Protection of Personally Identifiable Information  
Program Review Report  
Final Program Review Determination Report

cc: Sandra Dankwa, Financial Aid Administrator

Prepared for



START HERE  
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## Career Technical Institute

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OPE ID: 03104300

PRCN: 201420328543

Prepared by

U.S. Department of Education

Federal Student Aid

School Participation Team - Philadelphia

# Final Program Review Determination April 6, 2015

Federal Student Aid, School Participation Division – Philadelphia  
100 Penn Square East, Suite 511, Philadelphia, PA 19107  
[www.FederalStudentAid.ed.gov](http://www.FederalStudentAid.ed.gov)

## Table of Contents

	Page
A. Institutional Information.....	3
B. Scope of Review.....	4
C. Findings and Final Determinations	
Resolved Findings	
Finding #2: Enrollment Data not Reported to the National Student Loan Database System (NSLDS).....	4
Finding #3: Federal Pell Grant Underpayment.....	4
Findings with Final Determinations	
Finding #1: Inaccurate Reporting to Common Origination and Disbursement (COD) System.....	5
Finding #4: Crime Awareness Requirements Not Met: Campus Safety Policy Disclosures Omitted from the Annual Security Report.....	6
D. Appendices	
Appendix A: Student Sample	
Appendix B: Program Review Report	
Appendix C: CTI's Written Response	

**A. Institutional Information**

Career Technical Institute  
1101 Vermont Avenue, NW Suite L002  
Washington, D.C. 20005

OPE-ID: 03104300

Type: Proprietary

Highest Level of Offering: Non-Degree, 1 Year Program

Accrediting Agency: Council on Occupational Education

Current Student Enrollment: 418

% of Students Receiving Title IV: 85%

Title IV Participation, Per U.S. Department of Education Data Base  
(Postsecondary Education Participants System):

Title IV Participation: 2012-2013

Federal Pell Grant (Pell)	\$2,076,225.00
William D. Ford Federal Direct Loan Program (Direct Loan))	\$3,576,079.00

Total:	\$5,652,304.00
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## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review at Career Technical Institute (CTI) from March 4, 2014 to March 7, 2014. The review was conducted by Ms. Diane Sarsfield and Laurie Carmean.

The focus of the review was to determine CTI's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of CTI's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2012-2013 award year and 2013-2014 (year to date) award years. The student files were selected randomly statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A identifies the students whose files were examined during the program review.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning CTI's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve CTI of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

## **C. Findings and Final Determinations**

### **Resolved Findings**

#### **Finding #2: Enrollment Data Not Reported to the National Student Loan Data System (NSLDS)**

#### **Finding #3: Federal Pell Grant – Underpayment**

CTI has taken the corrective actions necessary to resolve findings #2 and 3 of the program review report. Therefore, this finding may is considered closed. The institution's response concerning this finding is included in Appendix C.

### **Findings with Final Determination**

The program review report findings requiring further action are summarized below. At the conclusion of each finding is a summary of CTI's response to the finding, and the

Department's final determination for that finding. A copy of the program review report issued on April 4, 2014 is attached as Appendix B.

**Finding # 1: Inaccurate Reporting to the Common Origination and Disbursement (COD) System**

**Citation Summary Citation:** An institution makes a disbursement of Title IV, HEA program funds on the date that the institution credits a student's account at the institution or pays a student or parent directly. 34 C.F.R. § 668.164(a).

An institution must report any change, condition, or event that causes a change in the amount of Federal Pell Grant funds for which the student qualifies. The institution must report these changes to the Secretary according to the schedule and deadline established in the Federal Register. 34 C.F.R. § 690.83(b)(1).

The Federal Register published February 28, 2013 established reporting deadlines to the Common Origination and Disbursement System (COD) for Federal Pell Grant and Direct Loan disbursement. Institutions are required to report disbursement information and adjustments to previously reported disbursement data to COD no later than (1) 30 calendar days for disbursements that occurred prior to April 1, 2013, and (2) 15 calendar days for disbursements that occur on or after April 1, 2013. (Federal Register, Volume 78, #40).

A school participating in the Direct Loan Program must ensure that any information it provides to the Department in connection with loan origination is complete and accurate. Additionally, an institution must provide to the Department borrower information that includes, but is not limited to: the borrower's eligibility for a loan; the student's loan amount; and the anticipated and actual disbursement dates and disbursement amounts of the loan proceeds. 34 C.F.R. §685.301(a)(1) and (2).

**Noncompliance Summary:** CTI reported inaccurate disbursement dates in COD for the Federal Pell Grant and Direct Loan funds disbursed to 29 of the 30 students in the sample.

**Required Action Summary:** CTI was required to update COD records to reflect the correct disbursement dates for the students identified in this finding. CTI was also required to conduct a file review of all students enrolled at the institution during the 2012-2013 and 2013-2014 award years to ensure that COD contains accurate disbursement information for these students. In addition, CTI was required to review its COD reporting policies and procedures to ensure that accurate disbursement information is reported to COD, and submit a copy of any revisions to its policies and procedures with its response to the program review report.

**CTI's Response Summary:** In its response, CTI provided revised procedures for reporting information to COD.



In addition, CTI provided the results of its file review of all students enrolled at the institution during the 2012-2013 and 2013-2014 award years to ensure that COD contains accurate disbursement information for these students. CTI stated that it corrected the information in COD for all students identified with errors.

**Final Determination:** The Department reviewed the results of the file review CTI submitted in response to this finding. The Department verified that the disbursement information in COD had been corrected for a sample of 29 students identified with errors in the file review. The Department did not identify any discrepancies with the updated information reported in COD for the students in the sample.

CTI must follow its revised procedures to ensure that accurate disbursement information is reported to COD.

**Finding #4: Crime Awareness Requirements Not Met: Failure to Publish the Annual Security Report (ASR) as a Comprehensive Document and to Distribute the ASR in Accordance with Federal Regulations**

**Citation Summary:** The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees through appropriate publications and mailing, a comprehensive Annual Security Report (ASR) that contains, at a minimum, all of the statistical and policy elements enumerated in 34 C.F.R. § 668.46(b).

The ASR must be prepared and actively distributed as a single document. Acceptable means of distribution include regular U.S. Mail, campus mail, hand delivery, or by posting the ASR on the institution's website. If an institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability and a link to its exact electronic address, a description of its contents, as well as an advisement that a paper copy will be provided upon request. 34 C.F.R. § 668.41(e)(1). These regulations also require institutions to provide a notice containing this information to all prospective students and employees. All such notices must be conspicuous and inform interested parties about how to obtain a paper copy of the ASR. 34 C.F.R. § 668.41(e)(4).

An institution's ASR must include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assault, burglary, motor vehicle theft, and arson. Statistics for certain hate crimes as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs, illegal usage of controlled substances, liquor, and weapons also must be disclosed in the ASR. These crime statistics must be published for



the following geographical categories: 1) on campus; 2) on-campus student residential facilities (as a subset of category # 1); 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. § 668.46(c)(1).

The ASR also must include several mandated policy statements. These disclosures are intended to inform the campus community about the institution's campus crime and security policies, procedures, programs and resources as well as channels for victims of crime to seek recourse. In general, these policies cover topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and the policies that govern the preparation of the ASR itself. Institutions are also required to explain their standards of conduct regarding illicit drug use and alcohol abuse. In addition, an institution must describe the types and frequency of its crime prevention programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. Institutions also must provide detailed policies of the issuance of timely warnings, emergency notifications, and evacuation procedures. As noted above, the ASR must be published as a single comprehensive document. With the exception of the drug and alcohol abuse prevention program information required by 34 C.F.R. § 86.100, cross referencing to other publications is not sufficient to meet the publication and distribution requirements. §485(f) of the HEA; 34 C.F.R. § 668.46(b).

Finally, each institution must also submit its crime statistics to the Department for inclusion in the Office of Postsecondary Education's "Campus Safety and Security Data Analysis Cutting Tool." 34 C.F.R. § 668.41(e)(5).

**Noncompliance Summary:** CTI failed to prepare and publish an accurate and complete ASR and therefore, also failed to distribute such a report to all enrolled students and current employees. Specifically, CTI's ASR did not contain all required policy disclosures. During its analysis, the Department identified the following omissions in the institution's 2012 and 2013 ASR, policy statements:

- A statement of policy regarding the preparation of the annual disclosure of campus crime statistics;
- A statement of policy about the distribution of timely warnings reports to members of the campus community regarding the occurrence of a Clery crime;
- A statement of policy regarding emergency response and evacuation procedures that includes: the procedures the institution will use to immediately notify the campus community of an immediate threat; the process to confirm there is a significant emergency or dangerous situation; a clear statement that the institution will, without delay, initiate the notification system; and the procedures that will be used to test the emergency response and evacuation procedures on at least an annual basis, and; the process that will be used to describe and document the

results of the exercise, the date and time, and whether the exercise was announced or unannounced; and,

- A statement of policy regarding the institution's campus safety programs designed to prevent sex offenses. The statement must include a description of the institution's educational programs designed to promote awareness of rape, acquaintance rape, and other forcible and non-forcible sex offenses.

**Required Action Summary:** As a result of this violation CTI was required to develop and implement policies and procedures to ensure that all future ASRs are prepared, published, and distributed in accordance with Federal regulations. The new policy was required to articulate how prospective students and employees will be notified of the report's availability. Using its new policies as a guide, CTI was required to modify its ASR so that it included all of the policy, procedure, and programmatic information required by 34 C.F.R. § 668.46(b) in addition to the crime statistics already reported by the institution. CTI was to submit a copy of the institution's new policies and procedures and its draft ASR with its response to the program review report.

**Institution's Response:** In its official response, CTI concurred with the finding and stated that remedial action was taken as directed in the program review. In support of its claims, CTI submitted a copy of its revised 2013 ASR that included the previously-omitted content. CTI also included a copy of the updated policy and procedures along with an example of the notification that will be used to transmit the report to students and employees.

**Final Determination:** Finding #4 of the program review report cited CTI for its failure to develop and implement required campus safety and crime prevention policies and procedures certain required policies and procedures in four significant areas and its resultant failure to include these mandatory disclosures in its 2012 and 2013 ASRs. Specifically, the Institute's 2012 and 2013 ASRs did not include statements of policy and/or procedure regarding: 1) the preparation of the ASR; 2) the issuance of timely warnings; 3) emergency notification, response, and evacuation procedures; and, 4) CTI's campus safety programs designed to prevent sex offenses. As a result of these violations, CTI was required to develop and implement new policies and procedures to ensure that future ASRs are produced and distributed in accordance with Federal regulations. Then, in accordance with those regulations and its new policies, the Institute was required to produce an accurate and complete revised 2013 ASR and to actively distribute it to all enrolled students and current employees. In its response, CTI concurred with the finding and asserted that all necessary remedial action was taken to address the violations and submitted a copy of the modified 2013 ASR.

The Department carefully examined CTI's narrative response and supporting documentation. The review team's examination showed that the identified violations were, for the most part, satisfactorily addressed by the Institute's revised 2013 ASR, its 2014 ASR, and its new internal policies and procedures. Based on that review and CTI's

admission of noncompliance, the Department has determined that the violations identified in the initial finding are sustained. The Department also determined that the Institute's remedial action plan meets minimum requirements. For these reasons, the Department has accepted CTI's response and considers this finding to be closed for the purposes of this program review. Nevertheless, the officers and directors of CTI are put on notice that the Institute must take all additional actions that may be necessary to address the violations identified above as well as any other deficiencies and weaknesses that were detected during the preparation of the official response and/or as may otherwise be needed to ensure that these violations do not recur.

Although the finding is now closed, CTI is reminded that the exceptions identified above constitute serious violations of the *Clery Act* that by their nature cannot be cured. There is no way to truly "correct" violations of this type once they occur. The requirement to produce and distribute an accurate and complete ASR is the most basic requirement of the *Clery Act* and is fundamental to the campus safety and crime prevention goals of the law. CTI asserted that it has taken adequate remedial actions and that by doing so, has brought its overall campus safety program into compliance with the *Clery Act* as required by its Program Participation Agreement. Notwithstanding these actions, CTI is advised that its remedial actions cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective actions as a result. Because of the serious consequences of such violations, the Department strongly recommends that CTI re-examine its campus safety and general Title IV policies and procedures on an annual basis to ensure that they continue to reflect current institutional practices and are compliant with Federal regulations. As part of these periodic reviews, CTI officials are encouraged to consult the Department's "Handbook for Campus Safety and Security Reporting" (2011) as a reference guide for *Clery Act* compliance. The Handbook is online at: [www2.ed.gov/admins/lead/safety/handbook.pdf](http://www2.ed.gov/admins/lead/safety/handbook.pdf). The Department also provides a number of other *Clery Act* training resources. CTI can access these materials at: [www2.ed.gov/admins/lead/safety/campus.html](http://www2.ed.gov/admins/lead/safety/campus.html). The regulations governing the *Clery Act* can be found at 34 C.F.R. §§668.14, 668.41, 668.46, and 668.49.

CTI management is also reminded that Section 304 of the Violence Against Women Reauthorization Act of 2013 (VAWA) amended the *Clery Act* to require institutions to compile and disclose statistics for incidents of domestic violence, dating violence, sexual assault, and stalking. VAWA also requires institutions to include new policy, procedural, and programmatic disclosures regarding sexual assault prevention and response in their ASRs. All institutions are currently obligated to make a documented good-faith effort to comply with the statutory requirements of VAWA and were required to include all new required content in the 2014 ASR. The Department issued Final Rules on the VAWA amendments on October 20, 2014 and therefore, these regulations will go into effect on July 1, 2015, per the Department's Master Calendar. Institute officials may access the text of the Final Rule at: <http://ifap.ed.gov/fregisters/attachments/FR102014FinalRuleViolenceAgainstWomenAct.pdf>.

Finally, CTI officials are strongly advised to review the accuracy and completeness of its Drug and Alcohol Abuse Prevention Program (DAAPP) as required by the Drug-Free Schools and Communities Act (*DFSCA*) and Part 86 of the Department's General Administrative Regulations. FSA is now responsible for monitoring institutional compliance with the *DFSCA*. Therefore, it is essential that the Institute makes sure that it has developed and implemented a comprehensive DAAPP, actively distributes program materials to students and employees, and conducts substantive biennial reviews and produces its reports on the proper schedule. For more information about the *Clery Act* and/or the *DFSCA*, please contact your program review team or another member of the Philadelphia School Participation Division.





April 4, 2014

Mr. Moses Rabi  
President  
Career Technical Institute  
1101 Vermont Ave, NW  
Washington, DC 20005-3521

UPS Tracking #  
1ZA879640298221383

RE: **Program Review Report**  
OPE ID: **03104300**  
PRCN: **201420328543**

Dear Mr. Rabi:

From March 3-7, 2014, Diane Sarsfield and Laurie Carmean conducted a review of Career Technical Institute (CTI) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The findings of that review are presented in the enclosed report.

Findings of noncompliance are referenced to the applicable statutes and regulations and specify the action required to comply with the statute and regulations. Please review the report and respond to each finding, indicating the corrective actions taken by CTI. The response should include a brief, written narrative for each finding that clearly states CTI's position regarding the finding and the corrective action taken to resolve the finding. Separate from the written narrative, CTI must provide supporting documentation as required in each finding.

Please note that pursuant to HEA section 498A(b), the Department is required to:

- (1) provide to the institution an adequate opportunity to review and respond to any preliminary program review report<sup>1</sup> and relevant materials related to the report before any final program review report is issued;
- (2) review and take into consideration an institution's response in any final program review report or audit determination, and include in the report or determination –
  - a. A written statement addressing the institution's response;
  - b. A written statement of the basis for such report or determination; and
  - c. A copy of the institution's response.

<sup>1</sup> A "preliminary" program review report is the program review report. The Department's final program review report is the Final Program Review Determination (FPRD).

**Federal Student Aid**  
An OFFICE of the U.S. DEPARTMENT of EDUCATION

Philadelphia School Participation Division  
The Wanamaker Building, 100 Penn Square East, Suite 511, Philadelphia, PA 19107-3323  
[StudentAid.gov](http://StudentAid.gov)

The Department considers the institution's response to be the written narrative (to include e-mail communication). Any supporting documentation submitted with the institution's written response will not be attached to the FPRD. However, it will be retained and available for inspection by CTI upon request. Copies of the program review report, the institution's response, and any supporting documentation may be subject to release under the Freedom of Information Act (FOIA) and can be provided to other oversight entities after the FPRD is issued.

The institution's response should be sent directly to Laurie Carmean of this office within 30 calendar days of receipt of this letter.

**Protection of Personally Identifiable Information (PII):**

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. To protect PII, the findings in the attached report do not contain any student PII. Instead, each finding references students only by a student number created by Federal Student Aid. The student numbers were assigned in Appendix A, Student Sample. Please see the enclosure Protection of Personally Identifiable Information for instructions regarding submission to the Department of required data / documents containing PII.

**Record Retention:**

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. Please refer to the above Program Review Control Number (PRCN) in all correspondence relating to this report. If you have any questions concerning this report, please contact Laurie Carmean at 202-377-4834 or [laurie.carmean@ed.gov](mailto:laurie.carmean@ed.gov).

Sincerely,



John Loreng  
Compliance Manager

cc: Sandra Dankwa, Financial Aid Director

Enclosure:  
Protection of Personally Identifiable Information

Prepared for  
**Career Technical Institute**

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OPE ID: 03104300  
PRCN: 201420328543

Prepared by  
U.S. Department of Education  
Federal Student Aid  
Philadelphia School Participation Division

## Program Review Report

April 4, 2014



## Table of Contents

A. Institutional Information .....	2
B. Scope of Review.....	3
C. Findings:.....	3
Finding #1: Inaccurate Reporting to the Common Origination and Disbursement (COD) System.....	4
Finding #2: Enrollment Data Not Reported to National Student Loan Database Systems(NSLDS).....	5
Finding #3: Federal Pell Grant Underpayment.....	6
Finding #4: Crime Awareness Requirements Not Met – Failure to Publish the Annual Security Report (ASR) as a Comprehensive Document and to Distribute the ASR in Accordance with Federal Regulations .....	7
D. Appendices.....	11
Appendix A: Student Sample	

**A. Institutional Information**

Career Technical Institute  
1101 Vermont Avenue, NW Suite L002  
Washington, D.C. 20005

OPE-ID: 03104300

Type: Proprietary

Highest Level of Offering: Non-Degree, 1 Year Program

Accrediting Agency: Council on Occupational Education

Current Student Enrollment: 418

% of Students Receiving Title IV: 85%

Title IV Participation, Per U.S. Department of Education Data Base  
(Postsecondary Education Participants System):

Title IV Participation: 2012-2013

Federal Pell Grant (Pell)	\$2,076,225.00
William D. Ford Federal Direct Loan Program (Direct Loan))	\$3,576,079.00

Total:	\$5,652,304.00
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## **B. Scope of Review**

The U.S. Department of Education (the Department) conducted a program review of Career Technical Institute (CTI) from March 4-7, 2014. The review was conducted by Ms. Diane Sarsfield and Ms. Laurie Carmean.

The focus of the review was to evaluate CTI's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of CTI's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers and fiscal records.

A sample of 30 files was identified for review from the 2012-2013 and 2013-2014 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

### **Disclaimer:**

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning CTI's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures. Furthermore, it does not relieve CTI of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

While this report reflects the initial findings of the Department, they are not final. The Department will issue a Final Program Review Determination Letter at a later date.

## **C. Findings:**

During the review, several areas of noncompliance were noted. Findings of noncompliance are referenced to the applicable statutes and regulations and specify the actions to be taken by CTI to bring operations of the financial aid programs into compliance with the statutes and regulations.

**Finding # 1: Inaccurate Reporting to Common Origination Disbursement (COD) System**

**Citation:** An institution makes a disbursement of Title IV, HEA program funds on the date that the institution credits a student's account at the institution or pays a student or parent directly. 34 C.F.R. § 668.164(a).

An institution must report any change, condition, or event that causes a change in the amount of Federal Pell Grant funds for which the student qualifies. The institution must report these changes to the Secretary according to the schedule and deadline established in the Federal Register. 34 C.F.R. § 690.83(b)(1).

The Federal Register published February 28, 2013 established reporting deadlines to the Common Origination and Disbursement System (COD) for Federal Pell Grant and Direct Loan disbursement. Institutions are required to report disbursement information and adjustments to previously reported disbursement data to COD no later than (1) 30 calendar days for disbursements that occurred prior to April 1, 2013, and (2) 15 calendar days for disbursements that occur on or after April 1, 2013. (Federal Register, Volume 78, #40).

A school participating in the Direct Loan Program must ensure that any information it provides to the Department in connection with loan origination is complete and accurate. Additionally, an institution must provide to the Department borrower information that includes, but is not limited to: the borrower's eligibility for a loan; the student's loan amount; and the anticipated and actual disbursement dates and disbursement amounts of the loan proceeds. 34 C.F.R. §685.301(a)(1) and (2).

**Noncompliance:** CTI reported inaccurate disbursement dates in COD for Federal Pell Grant and Direct Loan funds disbursed to 29 of the 30 students in the sample. The disbursement dates reported in COD were not the same as the dates the Federal funds were actually posted to the student's account. The difference in the disbursement dates range from 2 to 145 days.

An institution's failure to maintain current and accurate disbursement records for each student in the Department system may cause confusion for both the Department and school officials, and could result in the misuse of Title IV funds.

**Required Action:** CTI must update the COD records to reflect the correct disbursement dates for students #1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29 and 30. The institution is encouraged to call COD Customer Service at 1-800-848-0978 (Direct Loan) or 1-800-474-7268 (Grants) for any needed assistance.

CTI is also required to conduct a file review of all students enrolled at the institution during the 2012-2013 and 2013-2014 award year to ensure that COD contains accurate disbursement information for these students. The institution must compile the results of

its file review in a spreadsheet. The spreadsheet must be provided in both hardcopy and electronic format, and should include the data elements below.

1. Student Name;
2. Social Security Number;
3. Title IV Funds Disbursed to Student;
4. Date of Disbursement to Student Ledger;
5. Disbursement Dates Reported in COD; and
6. Comment on Necessary Changes (if any) to COD.

CTI must revise its COD reporting policies and procedures to ensure that accurate disbursement information is reported to COD. CTI must submit a copy of the revised policies and procedures with its response to this program review report.

**Finding # 2: Enrollment Data Not Reported to the National Student Loan Database System (NSLDS)**

**Citation:** A school shall upon receipt of a Student Status Confirmation report from the Secretary or any guaranty agency, complete and return the report within 30 days of receipt to the Secretary or the guaranty agency as appropriate. A school shall, unless it expects to submit its next student status confirmation report to the Secretary or the guaranty agency within the next 60 days, notify the guaranty agency or lender within 30 days if it discovers that a Direct Subsidized, Direct Unsubsidized, or Direct Plus Loan has been made to or on behalf of a student who is enrolled at that school but ceased to be enrolled on at least a half-time basis; has been accepted for enrollment at that school but failed to enroll on at least a half-time basis for the period for which the loan was intended; or has changed his or her permanent address. 34 C.F.R. § 685.309(b)

**Noncompliance:** CTI failed to report enrollment data in the National Student Loan Data System (NSLDS) for two students.

Student #3 previously attended CTI and was reported as withdrawn in NSLDS, effective February 2, 2012. The student reenrolled at CTI on August 27, 2012 and withdrew on January 10, 2013. CTI did not report the subsequent enrollment data in NSLDS.

Student #21 graduated from the Medical Office Professional program and was reported as graduated in NSLDS, effective March 28, 2013. Subsequently, the student enrolled in the PC Specialist/Bookkeeping program on October 14, 2013 and is currently attending classes. CTI has not reported the subsequent enrollment data in NSLDS.

An institution's failure to report enrollment data to NSLDS may delay or prevent the student's eligibility for deferments, grace periods, repayments, and the payment of interest subsidies.

**Required Action:** CTI must update the enrollment data reported to NSLDS for the two students identified in this finding.

In addition, CTI must review its NSLDS reporting policies and procedures, and revise if necessary, to ensure that accurate enrollment information is reported to NSLDS. CTI must submit a copy of any revisions to its policies and procedures with its response to this program review report.

### **Finding # 3: Federal Pell Grant - Underpayment**

**Citation:** In a program using credit hours without terms, the institution determines a student's Scheduled Federal Pell Grant using the Payment Schedule; and multiplying the amount by the lesser of:

the number of credit hours in the payment period  
the number of credit hours in the program's academic year;  
or,

the number of weeks of instructional time in the payment period  
the number of weeks of instructional time in the program's academic year

34 C.F.R. § 690.63 (e)(1) and (2).

**Noncompliance:** CTI failed to disburse the full amount of the Federal Pell Grant awarded to student #7.

For the 2012-2013 award year, CTI determined that student #7 was eligible for a Federal Pell Grant of \$5,342. However, CTI only disbursed Federal Pell Grant funds totaling \$2,940 to the student's ledger. CTI failed to disburse the remaining funds of \$2,402 awarded to the student.

An institution's failure to disburse the full amount of Title IV funds to an eligible student causes undue financial harm to the student.

**Required Action:** CTI must comment on the Federal Pell Grant funds disbursed to student #7. In addition, CTI must strengthen its awarding policies and procedures to ensure that students receive the proper Federal Pell Grant funds for which they are eligible. The institution must submit a copy of any revisions to its policies and procedures with its response to this program review report.

**Finding #4: Crime Awareness Requirements Not Met – Failure to Publish the Annual Security Report (ASR) as a Comprehensive Document and to Distribute the ASR in Accordance with Federal Regulations**

**Citation:**

The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (the Clery Act) and the Department's regulations require that all institutions that receive Title IV, HEA funds must, by October 1 of each year, publish and distribute to its current students and employees, a comprehensive Annual Security Report (ASR). To be comprehensive, an ASR must contain, at a minimum, all of the statistical and policy elements enumerated in 34 C.F.R. § 668.46 (b). With the exception of certain drug and alcohol prevention program information, cross-referencing to other publications is not sufficient to meet the publication and distribution requirements. § 485 (f) of the HEA; 34 C.F.R. §668.46(b).

The ASR must be published and actively distributed as a single document. Acceptable means of delivery include U.S. Mail, hand delivery, or campus mail distribution to the individual or posting on the institution's website. If the institution chooses to distribute its report by posting to an internet or intranet site, the institution must, by October 1 of each year, distribute a notice to all students and employees that includes a statement of the report's availability, its exact electronic address, a description of its contents, and an advisement that a paper copy will be provided upon request. 34 C.F.R. § 668.41(c)(1). These regulations also require institutions to provide a notice containing this information to all prospective students and employees. This notice must also advise interested parties of their right to request a paper copy of the ASR and to have it furnished upon request. 34 C.F.R. § 668.41(e)(4).

The ASR must include statistics for incidents of crimes reported during the three most recent calendar years. The covered categories include criminal homicide (murder and non-negligent manslaughter), forcible and non-forcible sex offenses, robbery, aggravated assaults, burglary, motor vehicle theft, and arson. Statistics for certain hate crimes, as well as arrest and disciplinary referral statistics for violations of certain laws pertaining to illegal drugs, illegal usage of controlled substances, liquor, and weapons, also must be disclosed in the ASR. These crime statistics must be published for the following geographical categories: 1) on campus; 2) on-campus student residential facilities; 3) certain non-campus buildings and property; and, 4) certain adjacent and accessible public property. 34 C.F.R. § 668.46(c)(1).

Additionally, the ASR must include several policy statements. These disclosures are intended to inform the campus community about the institution's security policies, procedures, and the availability of programs and resources as well as channels for victims of crime to seek recourse. In general, these policies include topics such as the law enforcement authority and practices of campus police and security forces, incident reporting procedures for students and employees, and policies that govern the preparation



of the report itself. Institutions are also required to disclose alcohol and drug policies and educational programs. Policies pertaining to sexual assault education, prevention, and adjudication must also be disclosed. Institutions also must provide detailed policies on the issuance of timely warnings, emergency notifications, and evacuation procedures. All required statistics and policies must be included in a single comprehensive document, known as an ASR.

Finally, each institution must also submit campus crime statistics for inclusion in the Department's "Campus Safety and Security Data Analysis Cutting Tool." 34 C.F.R. § 668.41(e)(5).

**Noncompliance:**

CTI violated multiple provisions of the Clery Act. Specifically, CTI failed to publish an accurate and complete 2012 and 2013 ASR as a single comprehensive document. CTI also failed to actively distribute these reports to all current students and employees in the required manner.

During the site visit, the review team attempted to locate and access CTI's 2012 and 2013 ASR and found that they were missing a number of required policy statements. CTI failed to publish the following policies as part of a comprehensive ASR:

- A statement of policy regarding the preparation of the annual disclosure of campus crime statistics;
- A statement of policy about the distribution of timely warnings reports to members of the campus community regarding the occurrence of a Clery crime;
- A statement of policy regarding emergency response and evacuation procedures that includes: the procedures the institution will use to immediately notify the campus community of an immediate threat; the process to confirm there is a significant emergency or dangerous situation; a clear statement that the institution will, without delay, initiate the notification system; and the procedures that will be used to test the emergency response and evacuation procedures on at least an annual basis, and; the process that will be used to describe and document the results of the exercise, the date and time, and whether the exercise was announced or unannounced; and,
- A statement of policy regarding the institution's campus safety programs designed to prevent sex offenses. The statement must include a description of the institution's educational programs designed to promote awareness of rape, acquaintance rape, and other forcible and non-forcible sex offenses.

Although these required policy disclosures were not included in the 2012 and 2013 ASRs as required, the Department notes that some elements of these policies were available in other CTI publications including the student handbook.

CTI failed to actively distribute its ASRs to current students and employees. Moreover, CTI also failed to actively notify prospective students and employees about the availability of its ASRs as required by the Clery Act, thereby resulting in an additional violation.

Failure to publish an accurate and complete ASR and to actively distribute it to current students and employees in accordance with federal regulations deprives the campus community of important security information that can empower its members to be informed and play an active role in their own safety and security.

**Required Action:**

As a result of the above violations, CTI must develop and implement new policies and procedures that will govern the preparation, publication, and distribution of a modified 2013 ASR and all future reports to ensure that all facets of the process are carried out in a manner that meets Federal regulations. The procedures must also specially articulate how prospective students and employees will be notified of the report's availability. Using its new policies as a guide, CTI must prepare and publish an accurate and complete a modified 2013 ASR (in draft form) that includes all of the statistical disclosures and policy, procedure and programmatic information required under 34 C.F.R. § 668.46(b).

A copy of the institution's new policies and procedures and its draft ASR must accompany CTI's response to this program review report. Once the new ASR is evaluated by the review team for accuracy and completeness, CTI must actively distribute it to all current students and employees in accordance with 34 C.F.R. § 668.41(e)(1). Finally, CTI must provide documentation to the Department evidencing the distribution as well as a statement of certification attesting to the fact that the materials were distributed in accordance with the Clery Act. This certification must also affirm that CTI understands its Clery Act obligations and that it will take all necessary corrective actions to ensure that this violation does not recur.

As noted above, the exceptions identified in this finding constitute serious violations of the Clery Act that by their nature cannot be cured. There is no way to truly "correct" a violation of this type once it occurs. CTI will be given an opportunity to develop and distribute an accurate and complete ASR, and in so doing, will finally begin to bring its overall campus security program into compliance with the Clery Act as required by its Program Participation Agreement (PPA). However, the School is advised that these remedial measures cannot and do not diminish the seriousness of these violations nor do they eliminate the possibility that the Department will impose an adverse administrative action and/or require additional corrective measures as a result.

CTI's officials may wish to review the Department's "Handbook for Campus Safety and Security Reporting" (2011) during the preparation of its response. The handbook is available online at: <http://www2.ed.gov/admins/lead/safety/handbook.pdf>. The regulations governing the Clery Act can be found at 34 C.F.R. §§ 668.14, 668.41, 668.46, and 668.49.

Based on an evaluation of all available information including CTI's response, the Department will determine if additional actions will be required and will advise the School accordingly in the FPRD.

Finally, CTI officials are reminded to review the accuracy and completeness of its Drug and Alcohol Abuse Prevention Program (DAAPP) as required by the Drug-Free Schools and Communities Act (DFSCA) and Part 86 of the Department's General Administrative Regulations. FSA is now responsible for monitoring compliance with the DFSCA. Therefore, it is essential that the institution makes sure that it has developed and implemented a comprehensive DAAPP and that it conducts substantive biennial reviews and prepares its biennial review reports on the proper schedule. For assistance or more information on the Clery Act and/or the DFSCA, please contact the program review team or another member of the Philadelphia School Participation Division.

ATTN: Laurie Carmean  
U.S. Department of Education  
Federal Student Aid/PC/SESG  
830 First Street, NE-UCP, Room 74B21  
Washington, DC 20002

Based on an evaluation of all available information including the institution's response, the Department will determine appropriate additional actions and advise CTI of these in the Final Program Review Determination letter.

## **D. Appendix**

**Appendix A (Student Sample)** contain personally identifiable information and will be emailed to CTI as an encrypted WinZip file using Advanced Encryption Standard, 256-bit. The password needed to open the encrypted WinZip file(s) will be sent in a separate email.

## **Appendix B: Program Review Report**